S. HRG. 101-144

COAST GUARD AUTHORIZATION

HEARING

BEFORE THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

ON

COAST GUARD AUTHORIZATIONS FOR FISCAL YEARS 1990 AND 1991

JUNE 19, 1989

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MONDAY, JUNE 19, 1989

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
NATIONAL OCEAN POLICY STUDY,
Washington, DC.

The subcommittee met at 10:05 a.m., in room SR-253, Russell Senate Office Building, Hon. Ernest F. Hollings (Chairman of the Committee) presiding.

Staff members assigned to this hearing: Mike Nussman, professional staff member; Bob Eisenbud; and Earl Comstock, minority professional staff members.

OPENING STATEMENT BY THE CHAIRMAN

The CHAIRMAN. Good morning, Admiral. Our colleague Senator Stevens is on his way, but we can get started in accordance with the schedule. I have an opening statement for the record.

This Committee has convened today for a hearing on the funding needs of the U.S. Coast Guard for fiscal years 1990 and 1991.

As one of our armed services, the Coast Guard mission plays a critical role in defending our nation and maintaining national security. However, because Coast Guard headquarters are not housed in the Pentagon, that role is sometimes overlooked.

In addition, its responsibilities have grown dramatically since it was established in 1790, when its job was to prevent smuggling and collect tax revenues. Now its responsibilities include law enforcement, drug interdiction, search and rescue, defense readiness, aids to navigation, marine safety and marine environmental protection. The diversity of the Coast Guard mission is apparent when you look at their involvement in some highly-publicized events in recent months—continuing efforts to block the flood of drugs across our shores, the rescue of two gray whales in Alaska last October, and ongoing attempts to clean up the Exxon *Valdez* oil spill.

This recent media attention has highlighted some Coast Guard needs to which we in Congress have not been as attentive as we should have been. For instance, Coast Guard attempts to rescue those gray whales from the ice last October were largely unsuccessful because of the Coast Guard's limited icebreaking capability. If two Soviet icebreakers had not arrived to clear a path, the whales would have died. Certainly, we are grateful to the Soviets for their assistance, but I think we in Congress need to provide the resources the Coast Guard needs to get the job done. Such limitations must be considered in the context of national security concerns. The Coast Guard is the only service which operates icebreakers.

Currently, there are only two in operation—the *Polar Sea* and the *Polar Star*. Neither, for one reason or another, was capable of reaching Alaska in time to provide assistance.

As a nation, we have called upon the Coast Guard to take on numerous difficult tasks on other occasions. At present, one of the service's toughest and most important challenges is drug interdiction. I reemphasize the fact they are a branch of our armed services because they are our defensive bulwark in the war to stop the smuggling of illegal drugs into this country. They are in a battle which will not be won without our whole-hearted support and the dollars to back up our concerns. Illegal drug use in this country has reached epidemic proportions, and we have asked the Coast Guard to be on the frontline in cleaning up the mess. Success will not come cheaply but this is not a war that we can afford to lose.

Similarly, the Coast Guard has been called on to fight the battle against environmental catastrophe. On March 24, 1989 the tanker, Exxon *Valdez*, ran aground in Prince William Sound releasing 11 million gallons of oil and devastating the coastline of Alaska and the livelihood of hundreds of its residents. In responding to that crisis, the Coast Guard was called on to place booms around the spill and to off-load the 42 million gallons of oil that remained on the tanker. Through their prompt response, the service prevented the possibility of a much larger spill with even greater environmental consequences.

The requirement for a rapid and large-scale mobilization to address the Exxon *Valdez* highlights the importance of addressing Coast Guard manning problems. To maintain military readiness, I understand that there is a need to increase their enlistees and reservists. The goals in this area are obtainable, but we must give them the tools to attract the number and quality of young people they need.

There are other items that we must examine today, primarily those concerning programs and policies of the Coast Guard, such as its vessel boarding practices, equipment needs and the Administration's user fee proposal. I must say that I look forward to the hearing today because the Coast Guard is one federal agency which is vitally needed, and one which we vitally need to support.

We welcome you back to the Committee and would be delighted to hear from you at this time.

STATEMENT OF ADM. PAUL A. YOST, JR., COMMANDANT, U.S. COAST GUARD; ACCOMPANIED BY REAR ADM. ED GILBERT, RESOURCE DIRECTOR/COMPTROLLER; CAPT. KEN THOMPSON, CHIEF, PROGRAMS DIVISION; AND CAPT. DAVE SPADE, CHIEF, BUDGET DIVISION

Admiral YOST. Thank you, Mr. Chairman. I will condense my statement and ask that my complete statement be included for the record.

The CHAIRMAN. It will be included in the record, and you may highlight it as you wish.

Admiral YOST. I am pleased to meet with you and the other distinguished members that may arrive from the subcommittee to

review and discuss the Coast Guard's fiscal year 1990 budget authorization request.

Accompanying me today are my Resource Director/Comptroller, Rear Admiral Ed Gilbert, on my far right; the Chief of the Programs Division, Captain Ken Thompson, on my immediate right; and the Chief of the Budget Division, Captain Dave Spade, on my left.

Having met with you in April, on the first day of the congressional hearings concerning the Exxon *Valdez* oil spill, I am pleased to return and discuss the Coast Guard's needs for fiscal year 1990. The Coast Guard and the nation are learning several lessons from the Valdez oil spill disaster.

And as you know, Mr. Chairman, we are seeing several legislative initiatives as a result of that spill. One thing that I am sure that this committee has noticed is the proven special value of multi-mission assets the Coast Guard has brought to bear on the clean-up operation.

You personally have a deep understanding of our service and the vital contributions that we make to this nation. Your continued dynamic and outspoken leadership, as well as that of the other members of this subcommittee, particularly Senator Stevens, is essential if we are to continue to ably serve this nation.

As we begin our 200th year of service, our missions have never been more important to this great nation. For 200 years we have applied, and we will continue to apply, our basic multi-mission expertise to challenging national priorities.

Our peacetime missions also give us the expertise, assets and command and control structure essential to the critical role our forces play in the nation's war plans.

Our request funds only the essential resources we need to meet our responsibilities in the four major mission areas of marine safety, environmental protection, maritime law enforcement, and defense readiness.

Our Operating Expenses (OE) authorization request funds existing levels of service, except for absorption of a significant portion of the fiscal year 1989 pay raise, plus a very modest amount for upgrades and follow-on operations of new hardware that Congress has funded in recent years.

Our Acquisition, Construction and Improvements (AC&I) appropriation request provides a program level that we need to sustain our capital plant. And our Reserve Training appropriation continues to fund our plan for phased growth of the Selected Reserve to meet 95 percent of our wartime reserve mobilization requirements by September 1998.

Our request does not include the $2.3 million required for the Bridge Administration Program, on the assumption that legislation will be enacted transferring that program to the Army Corps of Engineers. The Coast Guard has worked closely with the Corps of Engineers. I support the transferring of this function and will be happy to answer any questions you may have concerning that transfer.

I would now like to take a few minutes to show you some visual aids which help explain our budget request. As you can see from this slide, on an average day, the Coast Guard saves 16 lives, as-

sists 361 people, saves $2.5 million in property, completes 154 search and rescue cases, responds to 23 oil or hazardous chemical spills, boards 43 large vessels for port safety checks, inspects 64 commercial vessels, investigates 17 marine accidents, seizes 3,500 pounds of marijuana, seizes 35 pounds of cocaine—with a street value of drugs of around $6 million, and services 150 aids to navigation.

And all this is accomplished on that average day at a cost of only $8.5 million.

The next slide shows that, in recent years, the Coast Guard's Operating Expenses appropriation has been funded from different sources. In 1990, we propose that all the funds we need be appropriated in the Coast Guard appropriation. In 1989, our Operating Expenses program level of funding is $2.122 billion. Our fiscal year 1990 program level request is $2.252 billion.

I will discuss the $130 million incremental increase in more detail in my next slide.

This graph categorizes our $130-million request for additional money after annualizing the Department of Defense and the Anti-Drug Abuse Act of 1988 funding we are receiving in 1989. You see that $50 million of that is built-in changes which we have no control over—pay raises, entitlements, rent increases. $40 million is for operating new or upgraded capital assets which have been acquired over the last year—110-foot patrol boats, E–2C aircraft, 378-foot high endurance cutter Post-Fram follow-on, aerostat operation and the HH–65 helo follow-on. $40 million is for maintenance requirements, minor improvements to enhance the capability of our operating units' and some badly needed and long-delayed people programs.

Let me have the next slide.

This slide shows our AC&I appropriation history. We have been saying for years that the Coast Guard needs, on average, between $500 million and $600 million per year to support a regular replacement and renovation program for our capital assets, valued at about $16 billion. For seven of the past eight years, Congress has supplemented capital funding for the Coast Guard from other sources, primarily the Department of Defense. These additional funds have been essential to us in meeting our minimum needs for maintaining our capital plant.

The relatively large request for our AC&I funding this year is distorted by the $244 million needed for our replacement polar icebreaker. This is a true national asset and is an extraordinary expense item.

Let me have the next slide.

The next chart shows our AC&I appropriation breakdown. You see that aside from the icebreaker, the 1990 request is dominated by multi-year projects, such as FRAM and medium-range recovery helicopters. We also have a small amount of relatively fixed expenses for support, such as personnel and design, and a few multi-year programs which require annual funding, such as minor AC&I, waterway management, and underground storage tanks. That is in the light green.

Eleven percent of the AC&I request is for replacement assets and spare parts (in the yellow). Less than three percent of this AC&I budget is devoted to truly new initiatives. That is in the dark blue.

This modest amount, about $20 million, will provide for safety through systems such as local user terminals for the search and rescue satellite network, and the Talon helicopter tie-down system for the safety of our shipboard helo operations, and for mission enhancement, such as the active-gated TV and portable intelligence collection system.

Because of the dominance of the icebreaker, this budget is very lean for maintaining our present capital plant. Several projects have been phased to defer all but the immediately essential costs to the outyears.

Let me have the next slide.

My final graph shows the recent history of our Selected Reserve strength. Our budget request of $73.8 million represents a 10 percent increase over last year's funding. It supports our 10-year plan which calls for systematic annual growth to reach a strength that will allow us to meet 95 percent of our highest priority mobilization requirements. This includes providing security for key military-essential facilities in the nation's ports, and providing protection to waterways leading from those facilities to the open sea. Our target strength for 1990 is 12,950, which will enable us to meet 65 percent of our minimum mobilization requirements.

Mr. Chairman, President Bush and Secretary Skinner have assured me of their strong support for the Coast Guard's 1990 budget request. I ask you for your continued support and leadership and the support of this committee for our budget request.

The Coast Guard is a wise investment.

I will be happy to respond to any questions you or other members of the committee may have, sir.

Thank you.

[The statement follows:]

STATEMENT OF ADM. PAUL A. YOST, JR., USCG

Good morning, Mr. Chairman. I am pleased to meet with you and the other distinguished members of this subcommittee to review and discuss the Coast Guard's fiscal year 1990 budget request.

Accompanying me on this average Coast Guard day are the Resource Director/Comptroller, Rear Admiral Ed Gilbert; the Chief of the Programs Division, Captain Ken Thompson; and the Chief of the Budget Division, Captain Dave Spade.

Having met with you in April, on the first day of congressional hearings concerning the EXXON *Valdez* oil spill, I am pleased to return to discuss the Coast Guard's needs for fiscal year 1990. The Coast Guard and the Nation are learning several lessons from this disaster; and, as you know Mr. Chairman, we're seeing several legislative initiatives as a result of that spill. One thing that I'm sure that this committee has noticed is the proven special value of multi-mission assets Coast Guard has brought to bare on the cleanup operation. You have a deep understanding of our service and the vital contributions we make to this Nation. Your continued dynamic and outspoken leadership, as well as that of the other members of this subcommittee, is essential if we are to continue to ably serve this Nation.

President Bush and Secretary Skinner have assured me of their strong support for the Coast Guard's fiscal year 1990 budget authorization request. As Secretary Skinner testified, we want to work closely with you again so that together we can keep the Coast Guard working effectively doing the many jobs that are so important to the American taxpayers.

As we begin our 200th year of service, our missions have never been more important to this great Nation. For two hundred years we have applied, and we will con-

tinue to apply, our basic multi-mission expertise to changing national priorities. Our peacetime missions also give us the expertise, assets, and command-and-control structure essential to the critical role our forces play in the Nation's war plans. We are proud of our search and rescue mission that earned us the nickname "The Lifesavers," and of the role we have played in the Nation's outstanding maritime safety record. We ensure that safe and efficient flow of maritime commerce and traffic by maintaining our Nation's aids to navigation system. Our port and vessel safety programs are models for the world's maritime nations. As operators of the Nation's only two polar icebreakers, we help protect our national security, as well as our environmental and scientific interests in the polar regions. We enforce fisheries laws and treaties that are essential to that vital segment of our economy. Our work in drug interdiction has increased over the past two decades, along with America's recognition of the need to control this menace. As traditional and new sources of pollution threaten our coastal regions, our responsibilities for protecting the marine environment have become more critical. In addition to our important statutory peacetime functions, we have a significant defense readiness mission to fulfill, in which our active duty personnel and selected reserves play a vital role as part of the Department of the Navy, upon mobilization.

Our request funds only the essential resources we need to meet these responsibilities in marine safety, environmental protection, maritime law enforcement, and defense readiness. Our operating expenses (OE) authorization request funds existing levels of service (except for absorption of a significant portion of the FY 1989 pay raise) plus a very modest amount for upgrades and follow-on operations of new hardware that Congress has funded in recent years. Our acquisition construction & improvements (AC&I) authorization request provides a program level that we need to sustain our capital plant. And, our reserve training (RT) appropriation continues to fund our plan for phased growth of the Selected Reserve to meet 95 percent of our wartime reserve mobilization requirements by September 30, 1998.

When you compare our authorization request to our FY 1989 budget, it appears that there is a large increase. But, aside from the $244 million requested for the replacement polar icebreaker, this budget request represents a 3.6 percent increase over our FY 1989 appropriation (approximately the inflation rate), yet our workload continues to grow.

We've done a great deal to reduce our budget requirements over the last decade. We've made significant reallocations of existing resources to meet with priorities. We realigned our field management and support functions, freeing up over 400 staff personnel for transfers to operational duties on our ships and aircraft. By restructuring our headquarters functions, we were able to reduce 140 staff positions. We remain leaders in Federal productivity efforts. But, even with all of these economizing measures, the increases for FY 1990 are needed to keep up with the expanded missions which Congress and the American people expect us to perform.

BUDGET TOTALS

The total budget authority we are requesting is $3,468.9 million. Approximately 65 percent, $2,252.2 million (including $30 million from the boat safety account), is for operating expenses. This authorization funds salaries and entitlements for most of our personnel, and the operation and maintenance of Coast Gaurd ships, aircraft and shore units, including facilities acquired through capital investments in recent years.

We are requesting $682.3 million to fund major capital improvements. $244 million is for the replacement polar icebreaker. Most of the balance is for replacement, renovation, or modernization of multi-mission facilities.

We need $73.8 million to fund a Selected Reserve strength of 12,950, an increase of 850 members.

The $19.0 million we are requesting for research and development will fund the development of techniques, methods, hardware and systems that will contribute enormously to the productivity and effectiveness of our operating forces.

We are requesting $15 million for boat safety grants to States for their use in developing and implementing a coordinated recreational boating safety program for the Nation.

The $240.8 million requested in the retired pay account funds annuities and medical entitlements for retired military personnel, their dependents and survivors.

Overall, our request supports a level of 38,252 military and 5,589 civilian full time equivalents.

Our request does not include the $2.3 million required for the bridge administration program, on the assumption that legislation will be enacted transferring that

program to the Army Corps of Engineers. The Coast Guard has worked closely with the Army Corps of Engineers, and I support transferring this function.

OPERATING EXPENSES (OD)

We are requesting a $130 million increase in our operating expenses authorization. $50 million of the increase funds built-in changes such as a portion of the recently enacted pay raise and a 3.6 percent cost of living increase which are necessary to maintain our present level of service in FY 1990. The remaining $80 million has two components.

$40 million is needed to maintain and upgrade some of our capital assets, and for some badly needed "people" programs. It includes funds for intelligence operations to improve our law enforcement capability, funding for our growing environmental protection program, and funds to help eliminate our HU-25 spare parts shortfall.

Another $40 million is for follow-on expenses necessary to operate and maintain new capital assets such as: the E-2C Hawkeye surveillance aircraft to be transferred from the Customs Service, HH-65 helicopters, aerostats, post-FRAM' high endurance cutters, and *Island* class patrol boats. These assets are critical for meeting our drug interdiction responsibilities, and they are also available to other missions as dictated by national priorities.

Our FY 1990 budget authorization request includes, as part of our funding base, the $200 million that we are receiving from the DOD appropriation in 1989 ($60 million in funding and $140 million in serivces-in-kind). I appreciate the support of those who recognized our need and worked to include funds in the DOD appropriation for the Coast Guard. However, my position and the administration's position is that funding for the Coast Guard belongs in the Department of Transportation appropriation bill. With Congressional report language last year stating that FY 1989 would be the last year that DOD would provide funds to the Coast Guard. I am increasingly apprehensive about this $200 million. As the Budget Committees make their section 302A allocations, and the Appropriations Committees make their section 302B allocations to their subcommittees, it is critical that this $200 million be accounted for in function 400.

There is no slack in our budget. We must continue to fund the operating costs for the resources we already have so that they can operate to their full capabilities in their many mission areas. And, we are asking for an increase to our authorized budget base to pay the operating costs for new facilities coming on line—new aircraft and cutters, modernized cutters, and upgraded weapons and sensor systems.

We all recognize that the commitment to combat the flow of drugs into this Nation must continue. Congress has made this clear with the Anti-Drug Abuse Act of 1988, which provided additional resources for the Coast Guard and other Federal law enforcement agencies to "hold the line" against the importation of illegal drugs. President Bush has made clear his commitment by amending the Coast Guard request to increase drug interdiction funding by $10 million. Our drug law enforcement effort is necessary until the long-term solution of demand reduction can take hold. We need your support to continue our role in the drug war. It is not an easy fight, but we must stay the course. The American people expect and deserve no less.

ACQUISITION, CONSTRUCTION AND IMPROVEMENTS (AC&I)

Over one-third of our AC&I request, $244 million, is for a replacement polar icebreaker * * * a national asset. Studies on polar operations have repeatedly substantiated and confirmed the need for additional polar icebreaking capability to meet national security requirements, protect our Nation's economic competitive interests and meet the United States' international tready requiremetns in the Arctic and Antarctic. Since 1987, our icebreaker fleet has dwindled from five to only two. We are now at the point where we are unable to respond to all of the Nation's many needs in the polar regions.

Aside from the icebreaker, the FY 1990 AC&I authorization request continues to be dominated by multi-year projects, such as the fleet renovation and modernization (FRAM) program for our 378-foot cutters and the purchase of our last eight, of a buy of 32, medium range recovery (MRR) helicopters. We also have a small amount of relatively fixed expenses for project support, and a few multi-year programs which require annual funding, such as minor AC&I, waterways, and family housing.

Less than 14 percent of the AC&I budget (except for the polar icebreaker) is for new projects, and most of this is devoted to replacement assets—shore facilities, small boats, and spare parts for existing aircraft. Less than 3 percent of this AC&I budget is devoted to truly new initiatives. This modest amount, about $20 million, will provide for safety and mission enhancements (such as the local user terminals

for the search and rescue satellite network and the Talon helicopter tiedown system for the safety of our shipboard pilots) and mission enhancements (such as the active gated television and portable intelligence system).

Aside from the icebreaker, this budget focuses on high priority requiremetns for renewing our present capital plant. Several projects have been phased to defer, to the outyears, all but the immediately essential costs. This budget also begins an attempt to turn the corner on the replacement of our somewhat neglected shore plant. This is a serious concern, since our backlog of postponed projects is growing at an increasing rate.

RESERVE TRAINING

The Coast Guard Reserve provides trained units and qualified personnel for active duty in the Coast Guard in time of war or national emergency, and at such other times as national security requires. In the course of training to meet these responsibilities, reservists augment the active duty Coast Guard performing peacetime missions during normal and peak periods of operations, as well as in times of domestic emergencies.

We have embarked on a 10-year plan to bring our Selected Reserve strength up to a level which meets 95 percent of our highest priority mobilization requirements. Our authorization request adds 850 reservists to raise our Selected Reserve Force to a funded strength of 12,950 by the end of FY 1990. The additional personnel will improve our ability to provide security for military-essential facilities in the Nation's ports, and to extend protection to the waterways leading from those facilities to the open seas. Failure to accomplish these missions would severely weaken our Nation's ability to safety and efficiently outload supplies and personnel from U.S. domestic ports. The increase in FY 1990 follows our 10-year Selected Reserve growth plan and represents a 7 percent growth rate. The requested increase will enable the Coast Guard Selected Reserve to meet 65 percent of its minimum mobilization requirements.

SUMMARY

We are a ready, multi-mission force with a tradition of responding to changing national maritime priorities ove the past 200 years. To meet today's responsibilities to the Nation, we must have the necessary funding, people, training, and equipment to get the most from the resources you have recently provided for the job at hand. Our FY 1990 authorization request is austere but necessary to do the job today and to develop the basic maritime expertise the nation will need in the future.

I ask for your support for fully funding the Coast Guard budget request. The Coast Guard is a wise investment.

I will be happy to respond to any questions you or the other members of the subcommittee might have.

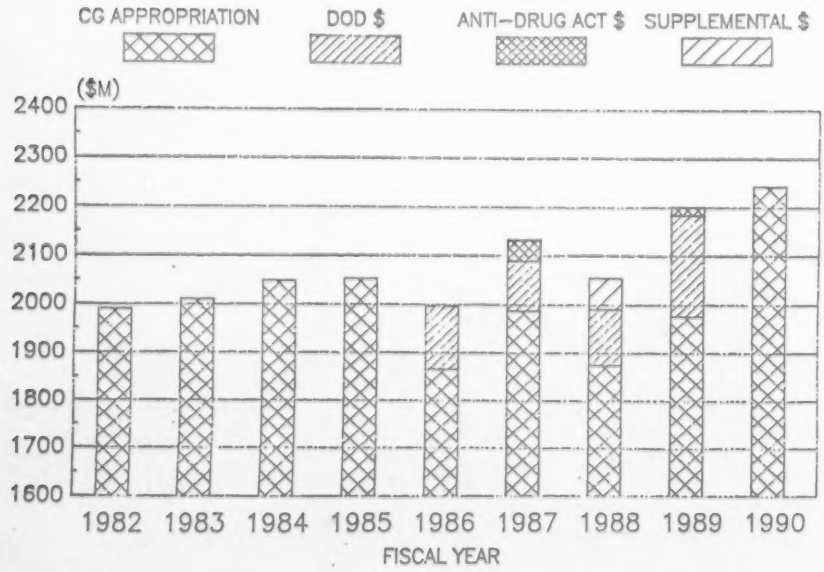
SLIDE #1

UNITED STATES COAST GUARD
AN AVERAGE DAY

* SAVED 16 LIVES
* ASSISTED 361 PEOPLE
* SAVED $ 2,500,000 IN PROPERTY
* COMPLETED 154 SEARCH AND RESCUE CASES
* RESPONDED TO 23 OIL OR HAZARDOUS CHEMICAL SPILLS
* BOARDED 43 LARGE VESSELS FOR PORT SAFETY CHECKS
* INSPECTED 64 COMMERCIAL VESSELS
* INVESTIGATED 17 MARINE ACCIDENTS
* SEIZED 3500 LBS OF MARIJUANA
* SEIZED 35 LBS OF COCAINE
* STREET VALUE OF DRUGS: $ 6,000,000
* SERVICED 150 AIDS TO NAVIGATION
* COST: ONLY $8.5 MILLION

SLIDE #2

U.S. COAST GUARD – FY 1990 BUDGET
OPERATING EXPENSE APPROPRIATION
1990 CONSTANT DOLLARS

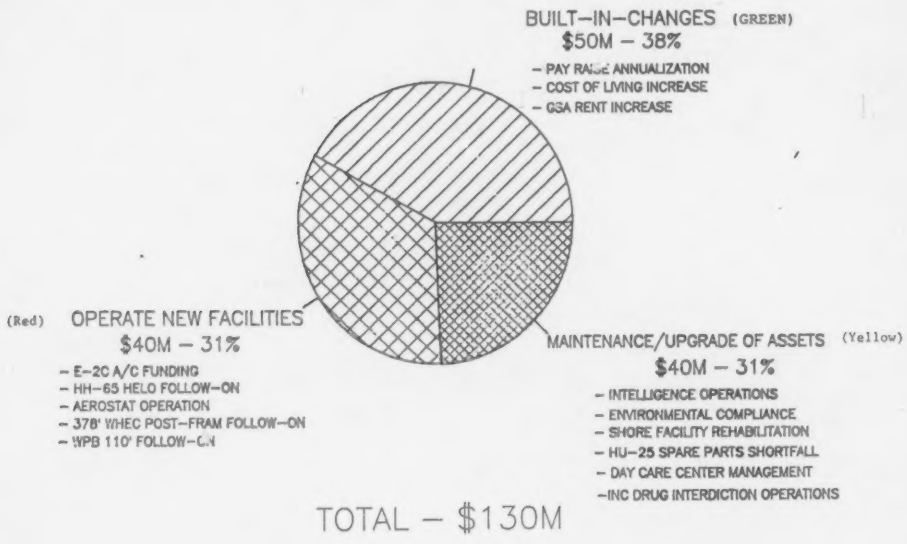


SLIDE #3

U.S. COAST GUARD – FY 1990 BUDGET

OPERATING EXPENSES APPROPRIATION

INCREMENTAL REQUEST



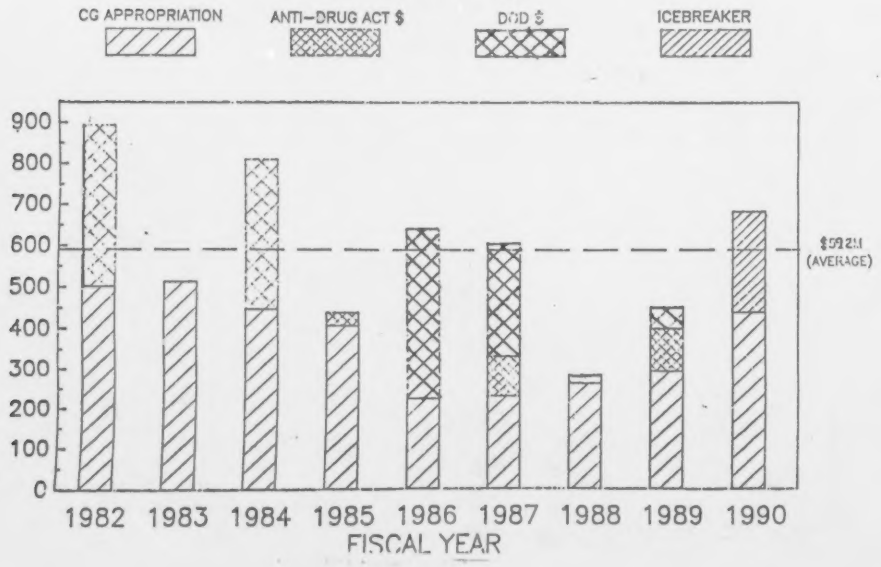
TOTAL – $130M

SLIDE #4

U.S. COAST GUARD – FY 1990 BUDGET

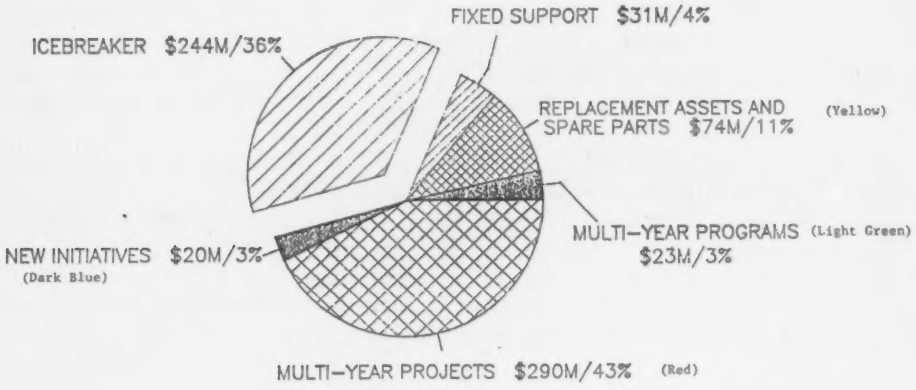
AC&I APPROPRIATION

(FY 1990 CONSTANT DOLLARS)



SLIDE #5

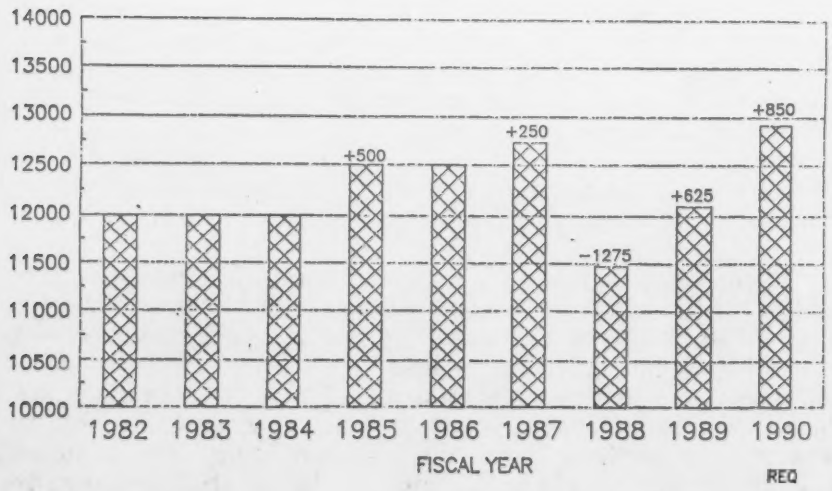
U.S. COAST GUARD — FY 1990 BUDGET
AC&I APPROPRIATION


FIXED SUPPORT $31M/4%
ICEBREAKER $244M/36%
REPLACEMENT ASSETS AND SPARE PARTS $74M/11% (Yellow)
MULTI–YEAR PROGRAMS (Light Green) $23M/3%
NEW INITIATIVES $20M/3% (Dark Blue)
MULTI–YEAR PROJECTS $290M/43% (Red)

TOTAL REQUEST — $682M

SLIDE #6

U.S. COAST GUARD — FY 1990 BUDGET
RESERVE TRAINING APPROPRIATION
SELECTED RESERVE STRENGTH



The CHAIRMAN. We will get into the Exxon *Valdez* a little bit later here. But let me get into the authorization accounts. Give me the personnel now, you are going up to 12,950; is that your hope?

Admiral YOST. That is for the Selected Reserve strength only.

The CHAIRMAN. How about your own manpower; what is that figure?

Admiral YOST. This appropriation gives us 38,200 people, and that is a slight increase from last year.

The CHAIRMAN. But you actually have less, I believe, now than what you have had in previous years; is that right?

Admiral YOST. We have less people now than we had in 1984.

The CHAIRMAN. And yet your responsibilities increase every day. In fact, the responsibilities up in Alaska would wean off a good 10 percent of your personnel, trying to stay on top of that particular disaster.

Are there any plans at all to increase; are you really keeping on top of it? That is what the committee wants to know.

Admiral YOST. Well, let me say this, and I think Senator Stevens will agree with me. When we looked at the runways up in Alaska during this oil spill, we saw a good percentage of the Coast Guard aircraft up there on those runways flying missions in that area. Many of our ships from up and down the West Coast were up there, too. The Exxon *Valdez* oil spill is siphoning off a good amount of Coast Guard effort on the West Coast from things that we need to be doing.

Fisheries and drug enforcement are critical on the West Coast. We do not have enough assets to cover all of our missions all of the time. And, when we have something like Valdez come up, it takes from the other missions.

The CHAIRMAN. Well, this morning's news about the Taiwanese ship that you caught for the violation of the fishing laws, catching of salmon there, can you give us an estimate, Admiral? When we asked the drug people they will say 90 percent of it is coming through; they are only getting 10 percent. What about the fishery violations; do you think you are getting 90 percent of the violators?

Admiral YOST. I do not think we are getting any where near 90 percent of the violations. The weather up there is difficult to fly in. You often have weather that you cannot have visual all the way down to the surface. For our ships, it is like hunting for a needle in a haystack up there, without good air cover. And so it is very difficult to patrol that fishery.

I am committed to spending more ship hours and more aircraft hours this year than we have ever spent before on those fisheries. But, of course, something like Valdez takes the precedence away from it.

The CHAIRMAN. So if you get a commitment for more to the Valdez spill, and for more to the fisheries, which you have just attested to, and the Congress has asked you to put more to the drug mission, how do you get more out of less?

Admiral YOST. We are not going to do it with this budget, sir. This budget is a current level budget. It will cause us to be able to operate everything we have now. We will not have to shut down anything, except we have got a $29 million deficit that we have to eat with the pay raise, so I am going to have to find $29 million

from last year's level of effort to accommodate the pay raise. But, other than that, we will not have to shut down anything.

This budget does not expand the Coast Guard to do the missions like Valdez, the extra fisheries patrols we need to do, the extra law enforcement patrols we need to do. It is not that kind of a budget, sir.

The CHAIRMAN. Well now, let us be reasonable, and let us not shoot the moon, as our friend, Senator Russell Long used to say. But can you give us a ball park figure? We are trying to authorize what is really needed. We cannot have everything we want, but we ought to get a reasonable authorization bill out of this committee, relative to the awareness now; I think we have got the colleagues attention. And with that attention we ought to be able to do two things: we ought to be able to provide a reasonable addition in personnel, operations, maintenance and otherwise, and to flush out, I should say, these particular endeavors in drug enforcement, the oil spill and fisheries enforcement.

Can you give us some kind of ball park figure for what it would take as an add-on to the actual request?

Admiral YOST. Well, of course, I am up here to support the President's request. You put me in an impossible situation. I would say to you, if we want a 10-percent growth in the Coast Guard, we need 10 percent more money than I am asking for. If we wanted five-percent growth, we need 5 percent more.

Now, I am not doing everything that Senator Stevens would like me to do in fisheries. I promised him that we would do more in fisheries. I am not doing everything that I want to do in law enforcement, drug law enforcement. And there is growth room in all of those missions to do more.

I have got to support the budget that I am bringing up here. I am barely able to keep my head above water with this budget that I am bringing you.

The CHAIRMAN. Very good.

Now, we can, in a line or two, iron out any difference. There is no difference as you see it with the Corps of Engineers taking over that Bridge Administration function?

Admiral YOST. I do not see any difference and I am committed to formulating a memorandum of agreement with the Corps of Engineers that will take care of the industry's concern that there would not be as quick a response to their needs in the bridge area as there is under the Coast Guard.

I am committed to seeing that that takes place. We will sign a memorandum of agreement with the Corps; and the Corps has assured me that they are willing. So I am very much in favor of doing that, sir.

The CHAIRMAN. Now, with respect to the budget itself, how much did you get from the Department of Defense? Senator Stevens and I, we have to embellish it. I know Senator Chiles and I did over at the budget committee year in and year out—and then with Senator Stevens' influence I am serving on that defense appropriations. We have to fight, which is an improper fight. I mean, we should not be fudging the Coast Guard's budget over in the Department of Defense appropriations mark-up.

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How much would you need? You showed the diagrams, and I hope for these Senators and others, by the way, they are very clear cut. At least, you know what you are doing. We might agree or disagree, but at least you have got it lined out for us. And I hope you will put that in a booklet form, those charts, for each of the members.

Admiral YOST. I will, sir.

The CHAIRMAN. So they can see the breakdown.

Now, if we wanted to get all of it included in your budget, rather than taken from the Department of Defense budget, how much would we add on to the request.

Admiral YOST. The budget that I am bringing up incorporates the $200 million that came out of Defense last year for OE. In other words, I have taken that $200 million and incorporated it in my Department of Transportation budget.

So if we got everything that was in OE this year, which is $2.25 billion that would take care of the $200 million we got last year out of the Department of Defense. Now, anything that we are under in OE, we would need out of some other appropriation. If we do not get this OE appropriation, we are going to need some help some place else, wherever it might come, but $200 million is included in there.

Now, last year, in addition, we got $50 million out of the Department of Defense MILCON appropriation, the military construction appropriation.

The CHAIRMAN. OE, you call that operation and enforcement?

Admiral YOST. Operating Expenses.

The CHAIRMAN. Expenses, okay.

Admiral YOST. Operating Expenses, we had $200 million come to us from the Department of Defense last year; $60 million of that was in cash, $140 million was support in kind. That is, got equipment, support, supplies and fuel up to $140 million. The total, then, was $200 million.

In addition to that, we had $50 million out of military construction for AC&I appropriation. So we got a total of $250 million last year from DOD. I would like to see that incorporated in the DOT appropriation this year. And I have so reflected it.

In addition, we got $16 million in the 1988 Anti-Drug Abuse Act. That is what we got out of the Anti-Drug Abuse Act.

So, in the 1990 budget, I have annualized the DOD money and the Anti-Drug Abuse Act money. I have requested it all in OE. And if we get it, I am going to be able to keep my head above water—or at least my ears above water this year.

The CHAIRMAN. But it is still $29 million less than what you had last year.

Admiral YOST. Well, the $29 million—each department has been required by the Office of Management and Budget to eat part of the pay raise. So I have got to find that $29 million in operating expenses some place; use less fuel; make less repairs; do something. And I will find that without closing anything.

But if I get less than I am asking for—I have already got a $29-million problem—I am going to have to resize the Coast Guard to meet the budget. And if you want an expanded Coast Guard, I am

going to need more money to expand the Coast Guard. This budget is just keeping my ears above water.

The CHAIRMAN. With respect to the icebreaker, I was in the Antarctic. In fact, I do not see how you can do it with the two icebreakers. You have got two now; you are down to two.

Admiral YOST. Yes, sir.

The CHAIRMAN. And I think the testimony goes into some kind of lease arrangement if we got into a crisis. You just do not go into the store window and buy an icebreaker.

So we will have to have some kind of emergency plan. What is that emergency plan? Other than whales, if you really had a problem, you would have to get an icebreaker. We ought to have at least two in that Alaska area, and you ought to have at least one at McMurdo.

Admiral YOST. Yes, sir.

We cannot carry out the vital missions of this nation in the Arctic and Antarctic with two icebreakers. We only have two icebreakers; we cannot carry out our vital missions with two. The studies that we have, that have been ascribed to by OMB and others, show that we need four icebreakers.

Now I have come in with this budget, with an icebreaker request. That request shows up in the President's budget as $244 million. There has been discussion about leasing. That is, leasing rather than buying. So the $244 million would not have to be paid out, but we would lease an icebreaker and somebody would build us one. That is being discussed in the Administration and in Congress and with our House authorization committee, even as we sit here, sir.

The CHAIRMAN. So the $244 is not the outright purchase?

Admiral YOST. Well, the $244 million is for the purchase of an icebreaker. We would build the icebreaker and then the follow-on cost to outfit it and pay inflation costs during construction would probably be almost another $100 million. But the $244, if appropriated, would buy an icebreaker.

Now, there is discussion that we lease and not buy. Because then we would not have to use the $244 million. We could lease it, and instead pay out $40 million a year for the next 30 years.

I think that is an idea that ought to be discussed, but I cannot commit $40 million out of my Operating Expenses every year for the next 30 years.

So if we are going to lease one, I want to see it leased out of an appropriation other than my OE appropriation. Make it a separate appropriation—call it the appropriation for the leasing of icebreakers. I do not know what that would be abbreviated to. There must be a good, sexy abbreviation for that.

But that would be the separate appropriation, and then every year for 30 years Congress would have to appropriate a line item to pay the builder of this icebreaker $40 million. You and I are both liable to be dead and gone in 30 years.

The CHAIRMAN. Well, that is the only lucky part of this hearing.

I do not see how you take care of $150 billion for the Savings and Loans, if we put it over a 30-year period, which makes $350 billion.

Right here at the National Airport and Dulles—we needed $250 million. And we got $6 billion into the fund. It is the people's facilities of all the 50 states. It does not belong to Virginia; it does not

belong to South Carolina. Instead of going ahead and spending the $200 million, no, we put it out on bonds over 30 years. We are going to spend $750 million to get the $250 million. That is the mentality in this town.

Where do you lease an icebreaker—from whom?

Admiral YOST. You would go to a company who would say to you, "We will build an icebreaker."

The CHAIRMAN. Are there not any already leasable?

Admiral YOST. No. It would be built to Coast Guard specifications. It would be a military ship with a Coast Guard crew. But for the first time, instead of the Coast Guard owning this ship, we would lease it and pay installments at $40 million over 30 years. That is $120 million. No, that is more than that. That is $1.2 billion.

But, in any event, I do not object to doing that, sir. It just needs to have some better minds than mine, obviously, to take a look and see if that is the best thing for the government to do.

We need two more icebreakers. I do not know how we ought to get them, buy them or lease them. That is being discussed both in the administration and, including OMB, and with the Congress.

The CHAIRMAN. Well, the committee is going to have to authorize one, one way or the other.

With respect to the search and seizures, we have had an incident with a Dr. Weeks boat in my own back yard. Now, it is difficult for me to understand just ripping a ship apart, unless there was probable cause. But, apparently, that occurred. That has been brought to your attention, I believe, Admiral Yost? The Weeks vessel?

Admiral YOST. Yes, sir, it has. The KASON——

The CHAIRMAN. And they ripped open the cushions and everything else. Well, that is not the typical search and seizure.

Admiral YOST. That is not the typical search and seizure, and I will assure you that Mr. Weeks will be paid for the damage that we have done to that vessel. He is in negotiation now with my people, and we are going to take care of that, Senator.

The CHAIRMAN. That is not typical then?

Admiral YOST. No, sir, it is not.

The CHAIRMAN. There is no use to belabor the committee on that one.

Senator Stevens, do you and Senator Burns want to discuss the *Valdez?* Give us an update on the Exxon *Valdez* now. Exactly what has been done since we saw you in April, and what has Exxon, the state of Alaska and other authorities done there? What is the status of the cleanup? Will it be cleaned up by this time next year, in five years or in ten years? What should we expect, and what should we know at the committee level?

Admiral YOST. Thank you, sir. And as you know, I have stayed in very close contact with the Alaskan delegation led by Senator Stevens. He and I have discussed this very frequently.

Let me start with the ship itself. This ship, as you know, was refloated, anchored, and over a 60-day period was repaired for sea. The company has now announced that they intend to take it to San Diego for about $25 million worth of repairs. And that will be done in the very near future.

Setting the ship aside, we ended up with ten million gallons of fuel in the water. It could just as easily have been 52 million, had the ship sunk. The ten million, however, made a—

Senator STEVENS. Let me interrupt you for just one second. If you are going to set the ship aside, what happened, why would it go to San Diego, where, I am informed there is not a dry dock that is large enough for it, and not go to Portland where there is a dry dock large enough for it.

Admiral YOST. I was not aware of that. I was told it was built in San Diego, and they were going to take it back to the builder's yard, but I do not have those details, sir.

Senator STEVENS. Thank you.

Admiral YOST. Now, we ended up with ten million gallons of Alaskan crude in the water which made a terrible mess. And as I testified to you some time ago, the response by Alyeska was somewhat slow.

There was not enough equipment available, nor was there enough equipment in the plan, nor is there enough equipment in any plan in the world today to address a spill of that magnitude in a way that the Coast Guard and this committee would like to see it addressed.

If we were to have a spill of ten million, or heaven forbid, 52 million gallons——

The CHAIRMAN. There was not a plan, but there was enough money. I thought they had been charging per barrel, or whatever it is over the years, building up this fund in order to do just this. The money was available, but the plan was inadequate.

Admiral YOST. Well, as it turned out, Exxon jumped in and said, "We're responsible, and we will fund it. They are using some of the funds that were gathered from this collection by the barrel tax. Some of those funds do underwrite some of their cost. How much of their cost will come out of those funds I do not know.

But the 311(k) fund, under the Clean Water Act, which the Coast Guard administers, at the beginning of the spill had only $6 million in it.

I figured Exxon was spending about $10 million a week. So if Exxon had not stepped forward, or had this been a tanker from a corporation less able than Exxon, the 311(k) fund would have lasted only a few days.

As it turns out, the 311(k) fund is being used, and we are billing Exxon. We have billed Exxon up to date, about $31 million. Of that, they have paid somewhere around $24 million back into the fund, and they are continuing to pay. The fund exists now, still at about six million.

They are paying, in addition to that, something around $10 million a week in costs of their own in cleanup.

As you know, there are a number of bills, pieces of legislation proposed from both Houses, to address money for future cleanup, and we need to look at those very, very carefully as they come down the line.

I would say for the cleanup itself, that it is progressing well. Beaches are being addressed and are being cleaned up in a manner that is timely in Prince William Sound. A little slow outside of Prince William Sound, but that is being addressed. I see more and

more cooperation between the state, the environmentalists, Exxon and our Coast Guard Federal On-scene Coordinator. The friction that there was at the beginning is not there now.

The beaches are not going to be crystal pure at the end of this season. There is going to be oil left down into the substrata. Some of that oil has gotten down two and three feet, down into the cobbles and into the gravel. I do not think that we will have a complete cleanup by the end of this year. But I think that all of the beaches that have been oiled will have been addressed with the best cleanup that could be provided during the summer season.

Exxon will need to come back under the auspices of the Federal On-scene Coordinator next summer, and address again what is left. And then five, or six, or seven years from now Mother Nature will probably have addressed it all pretty well.

The CHAIRMAN. Do you know of anything that is lacking that should be addressed at this particular time?

Admiral YOST. No. I think that everything is being addressed. I had a difference of opinion with Exxon on whether they ought to have put more people in and run more double shifts.

They are convinced that they are going to be able to address all of the beaches by the end of the summer. I am watching their time line very closely, and as long as they stay on that line, I will be satisfied. If they fall below that production line, and they are not getting the miles of beach done per week that they have to complete to finish by the end of the summer, then I am going to want to see more double shifts and more people.

The CHAIRMAN. You are the man in charge.

Admiral YOST. The Federal On-scene Coordinator is representing me, but the President has asked me to give it my personal oversight, which I am by frequent visits to Valdez.

The CHAIRMAN. Let me yield to Senator Stevens.

Senator STEVENS. Thank you, Mr. Chairman.

As a matter of fact, we are going to make Admiral Yost an honorary Alaskan, if I have anything to do with it. He has earned that right with what he has done so far, and we are indebted to him and his people for what they have done.

Mr. Chairman, let me just divide my questions in the series here. In the first place, we labored trying to find some way to get user fees to augment the Coast Guard budget. I had an idea, a stamp, somewhat like the duck stamp. Others have had other theories. Would you put that chart back up that shows what you do on an average day, Admiral?

It just seems to me that we ought to analyze a little bit who might assist in paying some of these costs. I do not know how we started, Mr. Chairman, but somewhere along the line these people involved in the oil and hazardous chemical spills, for instance, or the inspection of commercial vessels, in view of the overall contribution the Coast Guard makes to the commercial side of the marine area, we ought to find some way to have a fund that it could rely on.

Now, do you think that we have gone far enough to explore that? Is it just impossible, Admiral Yost?

Admiral YOST. I do not think it is impossible, and I am fully supportive of user fees. Now, as you know, we have tried it for the last

several years, both the administration bills and Congressional bills, and none of them have flown. I think the reason, part of the reason was we tried to get too much.

So the administration will propose a bill this year that will only produce $180 million annually. And that bill will be based largely on your idea, Senator, of a decal that will go on the windshield, and that decal would cost each boat $25.00 a year. It would be applied only to vessels that operate in U.S. waters, and only U.S. vessels.

If we charged foreign vessels, then we would get into a foreign relations problem that for the first year we did not want to tackle.

But if we can get that in place, it gets our foot in the door, and then I think we can expand it to some of these other areas. I think we need to do that.

Senator STEVENS. Well, I don't want to get controversial. No one wants to talk about the tax, and I can read the President's lips. But let me tell you, one of the problems is we exempt marine users from the gasoline taxes on the theory that they do not use our highways and should not pay them.

Now, why should we not now go back and look at this with this fantastic increase in cost of maintaining the traffic, maintaining the safety of the traffic. Why should we not have a marine fuel tax that is dedicated to the things that you are doing? Aids to navigation, investigating marine accidents, inspecting commercial vehicles, port safety checks, minor hazardous chemical and oil spills, search and rescue, saving property, assisting people and saving lives. All of that is equally as important to me as maintaining interstate highways. Why should they be exempt from paying that tax? Why can we not have some sort of marine fund? Have you looked at that, Admiral?

Admiral YOST. We have. And as you probably know, the Wallop-Breaux Fund does get money out of the highway fund that comes from highway taxes. And that, part of that goes to the Coast Guard—about $30 million a year. Part of it goes to maintaining marine facilities for pleasure boaters.

We get about $30 out of the highway tax, and the idea is that most boaters use highway gasoline, that they do not go to a marine pump. They pull their trailer up to a filling station and fill the boat up there.

Senator STEVENS. Yes, I know that. That is the smaller boats and they do pay, whereas the larger ones do not pay.

The CHAIRMAN. $100 million comes from the gas tax through the Department of Transportation which allocates out of that fund to the Coast Guard and to the States for boating programs.

Senator STEVENS. I understand that and that is a contribution, and it is coming from the smaller boats paying for the taxes. The larger boats are not paying the taxes. And I am asking the question, and I think some of us have to ask the question why do we not charge them all and give you a navigation fund, a safety fund, a port safety fund.

I want you to know I would like for you to look at it. And I do not know if the Chairman would join me in making the request. I am going to get hung when I go home. But someone has got to

start paying some money so that we can give you some additional funds beyond what the budget can take here.

Now, as you know, the oil industry did come to us and talk about a federal takeover of all oil spills, and the creation of a fund to not only maintain the people for the cleanup, but also for the training and the extra people you would need.

You have, I think rightfully, said you do not want the whole thing. That should not be. Those oil spills are in the capability of the party at fault—they ought to be immediately cleaned up by the party at fault with no federal.

We have learned from the Valdez incident that there are expense some that are so large that even for a company with the deep pockets that Exxon has got, it becomes a financial problem to put together the whole logistical operation to meet that spill within the time frame that is reasonable.

And I think we are going to have to look at the larger spills and we do that in the bill that we are going to take up tomorrow, Mr. Chairman. But, meanwhile, do you not think we ought to look somehow to an assessment to whatever fund we create for the Super Fund concept, or even the Alaska Pipeline Fund. We are the only ones who have one now. There is $278 million in that, and you have not gotten a dollar out of it so far, have you?

Admiral YOST. No.

Senator STEVENS. That is my understanding. Mr. Chairman, I would call your attention to that. There is $100 million in the Alaska Pipeline Fund, plus it has now earned $178 million, and none of that has been made available to the Coast Guard yet.

Now, I would like to suggest that we have a fund that, without regard to the oil industry's suggestion, is for attacking major oil spills should they, God forbid, happen in U.S. waters, or to U.S. tankers anywhere in the world, that it would give the Coast Guard an annual amount so that it could have a team, and have equipment, and have a preparation base to meet spire requirements.

Now, there is nothing like that today, is there?

Admiral YOST. No, there is not. We maintain the Strike Teams out of appropriated funds. But if there needs to be an increase in the capability of the Coast Guard taking over and running a major spill with equipment, et cetera, that needs to be funded. How that ought to be funded, I am going to leave up to better minds than mine.

But you are discussing a fund that has some very good arguments for it, and we are talking about the CLC Fund. We are talking about the protocols. And all of these things are going to need to be talked over very carefully.

Senator STEVENS. Admiral, I was just a first lieutenant, and I have seen you act as an admiral, and I am never going to match my competence to yours in terms of what you can do as an admiral.

But I think as a legislator we have got a duty to give you the funds to work with.

Now, in the Puget Sound spill, and the spill that took place here on the East Coast, and the Alaska spill, in each one of the major spills that I have known that have happened in U.S. waters, or to

U.S. vessels, you have had a substantial outpouring of your appropriated funds, have you not?

Admiral YOST. We have.

Senator STEVENS. And, to my knowledge, you have not recovered from any one yet, but you will recover from Exxon now?

Admiral YOST. We are recovering from the 311(k) fund our incremental cost.

Senator STEVENS. I mean in the prior spills you did not get paid back. You do not get paid for those 23 hazardous oil spills a day now, do you?

Admiral YOST. Those, no. We send people there, and equipment there, and we supervise the spiller cleaning them up. Unless we take over those spills, we do not get reimbursed for that.

Senator STEVENS. I know. But you have an on-going Coast Guard expenditure that is related to oil and hazardous waste that comes out of the taxpayers, rather than coming out of those people who are users and generating the shipment of that oil and waste?

Admiral YOST. Yes. We do not get reimbursed for that.

Senator STEVENS. I think that, Mr. Chairman, has to be addressed and I hope we will address it tomorrow.

Let me shift to the icebreakers if I may. We did have to call on the Soviet icebreakers to come help us, when we rescued the whales. And we know that they have a sizable icebreaker fleet.

I do not think that we have the same demand that they do. They send twice annually, I understand, a convoy across the top of their Union, and send what amounts to their Coast Guard icebreakers along with them.

But I am increasingly disturbed again, now that we see an increased interest by the industry off-shore of Alaska, in operations for exploration which, if there is a discovery, would lead to development in the North Aleutian shelf, and the Chukchi Sea, and in the Arctic Ocean, in situations where the industry has no icebreaker capability, and you do not have it either.

If anyone gets into a problem area in those industrial developments and gets iced in again, you do not have any backup icebreaker capability today, do you?

Admiral YOST. We do not. And, as you know, we had to ask the Soviets to help us with the whale, but worse than that, it was not in the public domain, but the year before that, I had to ask the Canadians to help us break in the DEW Line.

Now, that is a national security thing. I did not have an icebreaker to get up and start to break in at the DEW Line. We had merchant ships with cargoes waiting to go in to resupply those stations. My icebreakers were down because I had only two. I was two weeks late at the ice edge, and I called up and on a handshake with my colleague in Canada, I said to him, "Will you send a Canadian icebreaker and get this thing started?" And he said, "For you I will."

Now, that is a slender reed to depend on for a vital mission of the United States. And it is the reason that I have asked for two more icebreakers, one in this budget.

Senator STEVENS. I think some of our friends here in the Congress do not keep up with these DEW Line concepts, and what you have to do. But, annually, you have to escort the resupply vessels

for a series of small Defense Department establishments that are maintained by contractor personnel, throughout the polar area of my State, correct?

Admiral YOST. Yes. That is true also.

Senator STEVENS. Is that not the DEW Line mission you are talking about?

Admiral YOST. The DEW Line is on the East Coast, but in your State there are areas that need to be resupplied, and on occasion, our smaller icebreakers have helped in that.

Senator STEVENS. We call those stations up our way DEW Lines too. They go across the top of this continent in the East Coast and in Canada, and in Alaska.

But what I am saying is, today you do not have the capability to maintain a backup for your own icebreaker. Did you not get one stuck out there once?

Admiral YOST. We had often had trouble with icebreakers, particularly in the Antarctic where we have had them stuck and had them disabled, and had them tear a screw off on the ice. And we need two icebreakers when we go down to the Antarctic—that is a very unforgiving area, thousands of miles from any help. We have always taken two icebreakers down there.

Last year I took one down there, with one on standby on the West Coast. And, fortunately, we had a light ice year and we got through it fine. But that is another slender reed to base a vital mission of this country on.

Senator STEVENS. Lastly, Mr. Chairman, in fisheries enforcement, particularly in the North Pacific, we have had such a shift, since we enacted the Magnuson Act, of foreign fishing vessels—those vessels used to be within the 200-mile limit and now they are outside the 200-mile limit—that there has been a great increase of the burden on the Coast Guard in the period of time since that national jurisdiction was OK.

Today, the fisheries enforcement vessels that you have are out in the Pacific, what—you were only 400 miles from Midway when you found that Taiwanese vessel, were you not? That is where it went.

My colleagues here realize that you are not operating fisheries enforcement vessels within sight of land. They are half-way to the Orient in terms of this enforcement effort. To my knowledge, you have only got two vessels out there now. Is that not right?

Admiral YOST. That is right, and of course the Taiwanese was a drift netter and he had intercepted some salmon. And as you know, we feel very strongly (and you do too) about intercepting our salmon on the high seas.

As you know also, the Coast Guard Cutter RUSH was on its way to fisheries patrol and got diverted for over a month at Valdez so we had less than we should have had in the area at that time, as well.

Senator STEVENS. Well, what I am trying to bring out is that there is an increased demand on the Coast Guard in the North Pacific rather than a lessening demand, because of the 200-mile limit.

Admiral YOST. That is true.

Senator STEVENS. It is an enormous area. They have now got almost 800 drift net vessels alone out there that were not there when the Magnuson Act was passed.

Admiral YOST. That is true.

Senator STEVENS. And they are further out and require more aerial patrols. They require more surface patrols rather than less and we have an increased demand in that area and the Senator from Washington has got just as much interest in this as we do, and I think Oregon too. There is no question that that fleet of yours, the fisheries enforcement fleet, must be increased and upgraded. Is that in the budget now, this year?

Admiral YOST. There is enough money in the budget to operate all of the ships that we currently have. There is no money for new, high seas type of vessels. We are putting a lot of ships through FRAM. The 270-footers are still being built and coming on line. There is money to operate all those, but there is no money for extra ships. When you have missions like Valdez, it takes away from your fisheries.

Senator STEVENS. One last question: you have no Coast Guard permanently stationed west of Kodiak, do you?

Admiral YOST. No, we do not.

Senator STEVENS. Are you operating now from Kodiak to Dutch Harbor—about 1,000 miles apart?

Admiral YOST. Probably close to that—600. I do not know. It has been a while.

Senator STEVENS. Beyond that, our own vessels are going out and competing with these foreign vessels on the high seas. You have the overall problem of the doughnut, the 45,000 nautical square miles out there that is a sort of no-man's land between the Russian 200-mile limit and ours and you have got a duty there to maintain our laws in that area, too.

Admiral YOST. Sure, because these people in the doughnut hole move right into our 200-mile zone, fish it out and then move back into the doughnut hole. If we do not catch them red-handed, it is hard to prosecute them. We are flying our C–130 aircraft, Senator, at 130 percent of their programmed hours, and that is primarily directed toward the fishing effort.

Senator STEVENS. Mr. Chairman, I hope we can get the Committee to take a plane and go out and look at this area sometime soon. I do not think anyone in what I call the South 48 understands the Aleutian chain and how dynamic that economy is and how much it has built up now, since we passed the Magnuson Act—how many of the vessels from Portland and from Seattle utilize the facilities out there and that there is no search and rescue out there. There is no capability to provide the same kind of service that these people had when they were fishing off the coast of California, Oregon, and Washington and I believe until you see it you really cannot understand the urgent need to try and solve that problem, too.

In other words, Mr. Chairman, you are absolutely right. This Coast Guard of ours has been given drug enforcement activity, increased commercial involvement in terms of oil spill activity and recovery, increased commercial inspection, increased aids to navigation.

They have got, now, an overwhelming burden beyond the 200-mile limit and also are expected to police the 200-mile limit, too, as far as fishery enforcement on our own fishing industry.

So I believe this Committee has the duty of finding an additional source of funding for the Coast Guard in this period and it is going to be very tough from the point of view of budgets. We have to find some increased funds on a user fee concept and make them available to the Coast Guard in the near term.

Now, that is the end of my comments and questions, Mr. Chairman.

The CHAIRMAN. Well, we thank you. Senator Burns?

Senator BURNS. Thank you, Admiral, for coming this morning. Thank you, Mr. Chairman.

I was just concerned. You said an icebreaker costs $244 million and it costs another $100 million to outfit it, or rig it.

Admiral YOST. The $244 million is what we need up front in the appropriation in order to let the contract at the shipyard. Now, there are lots of things that the shipyard does not provide. They don't provide the china, the engineering spare parts, the damage control equipment, the Oxygen Breathing Apparatus (OBA) et cetera, and I said another $100 million which includes inflation during construction.

I am told that it is probably closer to $85 million, but it is a significant amount. I would not want this Committee to think that for $244 million I am going to have a full-blown, operating icebreaker.

Senator BURNS. Okay. Then, would you say that in all other vessels other than the icebreaker, you are short of vessels now. Could you use more vessels?

Admiral YOST. We do not have any more high seas vessels in the budget. We have the 270-foot class still being built and coming off the ways, but we do not have any more high seas vessels. I am not here to ask for more of those vessels.

You asked me what I would need—the Chairman did—if we were to do more in drug enforcement and fisheries enforcement. Obviously, we would need more equipment, but I am not here to ask for that.

I am a member of the administration. I come with the President's budget. If you need 10 percent more—you asked me—I would say I need 10 percent more budget, but that is not what I am asking for.

Senator BURNS. Well, I would just offer as a suggestion then, we do—I know we have got a considerable number of high sea vessels that—under the authority of the United States Navy that is tied up in mothballs.

Admiral YOST. Those vessels are usually tied up in mothballs for a very good reason. They are expensive to operate. They are in poor maintenance, et cetera. The Navy has not decommissioned anything that I know of that was in top flight operating condition that I would like to take over.

Senator BURNS. Okay. I did not know what the situation was there until I asked.

Admiral YOST. They just decommissioned 16 frigates for budgetary reasons last year, for instance. They were steam turbines, the only steam stuff left in the Navy. The Coast Guard has none of it—old boilers, expensive to maintain, no trained people to run those steam turbines or boilers. They are obsolete.

Senator BURNS. Well, I know you do a heck of a job and it is a pretty sad commentary on—as Ted was going over the user fees and this type of thing, I am a great advocate of user fees and this type of thing and it is a pretty sad commentary. Given the street value of the drugs you took in in one day over there, we could cut your budget by three-quarters it looks like, if we just go into that business and we sure do not want to get into that business.

But I know you do a heck of a job and I am just learning more in this process than you are, of course. I would yield the rest of my time, Mr. Chairman. Thank you very much.

The CHAIRMAN. Thank you. Senator Gorton?

Senator GORTON. First, Admiral Yost, for whatever it is worth to you I want to express my agreement with Senator Stevens and his view that we should find other dedicated sources of revenue for the functions of the Coast Guard.

You have only perhaps one silver lining on the cloud of your very, very difficult financial circumstances and that is that almost everyone in the country and in the Congress holds you in very high regard and blames the lack of ability fully to carry out all of the functions you have been assigned on lack of resources.

Perhaps if you got all those resources you would be getting more criticism as well, but I would like you to share with me, if you will, what your priorities would be if in fact we were able to come up with some additional resources for you.

For the purposes of this question let us assume that these new resources are not earmarked to one of the specific functions that you have here, but within the realm of reason—anywhere from a 1 to 5 to 7 percent increase in your budget. If you had such increases and you were not restricted, what would you see as your priorities for additional enforcement of your various duties? How would you want to use them?

Admiral YOST. With that kind of an increase, we would probably want the increase for Operating Expenses because AC&I capital is used for multi-year projects, to build a ship, or build an aircraft. So, with that kind of an increase, we would want to modernize the equipment that we have to make it more capable, acquiring better sensors, for example.

We would also want to modernize our shore plant, which has been neglected over the years. Because the shore plant does not interdict many drugs, or do much in fisheries enforcement, we have emphasized modernization of our ships and airplanes while our shore establishment has suffered maintenance-wise and modernization-wise. And we want to operate what we have at full capacity.

Now, I am already operating the C–130's at 130 percent of capacity, but we would operate our other equipment at full capacity, too. That includes funding the FRAM project, to get the ships that are currently undergoing overhaul back out in the fleet, to get the newly built 270s fully manned and into the fleet and the new 110-footers that are coming off the ways fully manned and operating. That is what we would use it for.

My fear, my nightmare, is not that we are going to get 1 or 2 or 5 percent more. I have this nightmare that I am going to wake up and we are going to have a budget cut of $100 million or $200 mil-

lion like we have had for the last two years and suddenly on 1 October I have got a $100 million deficit, that there is no way of handling it without firing people.

With a $200 million cut, I would have to get rid of 4,000 people and cut all the units that I cut last year that have been restored. All of the lifeboat stations, the Coast Guard Cutter Mackinaw, Air Station Chicago—all of those things that turned out to be a big battle in the administration and in Congress after we closed them down.

If we got the President's budget, I would be a very happy Commandant. I cannot even imagine getting 2 or 3 percent above the President's budget. I mean, it is like asking me what I want for Christmas. I had not even thought about that.

Senator GORTON. Over and above the icebreaker, if you had the ability for one, or a very few pieces of new capital equipment, new ships, what would they be?

Admiral YOST. Well, we know we need to replace our buoy tender fleet. That is the 180-foot buoy tenders that have been such a workhorse for 40 years in the Coast Guard.

If you flew over Valdez, you would see at any one time two or three of them—not tending buoys but hauling boom, working oil, supporting oil cleanup workers, doing that kind of heavy lift work. We took them out of aids to navigation, and we are doing that with them. Those ships are old, and they have got to be replaced.

We know that we are short, or we will be short in the out years, of patrol boats (WPBs)—that is the 110-foot patrol boats, or the boat that is going to follow on to those patrol boats.

So those are the things that will be addressed, to the extent they are not addressed in this budget, in future budgets.

Senator GORTON. Are you aware of the debate on the policies taking place now in the Navy with respect to propulsion systems and the next generation of Navy ships?

Admiral YOST. I am not sure I am, sir. Are we talking about low-speed diesels?

Senator GORTON. I wish I could give you the technical name, which I forgot. No, I think it is a generation of engines beyond that. I just wondered whether or not any work was going on in the Coast Guard with respect to propulsion systems.

Admiral YOST. I do not think so, and I am committed as the Commandant to not get too far ahead of technology. We find that we are too small to develop those kind of things. I am committed to watching the Navy and the Air Force and the Army do those kind of things. When they are good, we jump right in behind them and get in on their contracts. So if they have got a good idea, we are going to be right there with them.

Senator GORTON. Finally, on one other subject. In connection with the ups and downs of budget policy over the course of the last few years and the condition of some of your equipment, what is your view of your personnel policies and particularly your ability to attract and to retain the kind of personnel you want in the Coast Guard, either in the short-term or as career people?

Admiral YOST. Before I answer that, let me just add something that I should have said to one of your last questions. One of the things that we need to address in the capital plant is making our

HH65 helicopters and our Falcon aircraft fully operational. We have had engine problems with both. Particularly, the HH65 helicopter has a major engine problem that we need to look at—either maturing that engine or maybe even reengining that helicopter. So, there is going to be some major capital investment needed in the future to make that helicopter fully operational.

As far as our personnel retention goes, we are doing very, very well, both in our recruiting and in our retention. We are now part of the armed forces ads that come on in prime time that last year said Army, Navy, Air Force, Marines. I wanted it to say Coast Guard, Army, Navy, Air Force and Marines, and I negotiated it down to Army, Navy, Air Force, Marines, Coast Guard.

But, we are in there now, and it is not because I need recruiting, because I am getting fine recruits—all I can use. But what I do need is the recognition that we are an armed service. So, that is why we are in their recruiting ads and paying our part of those ads as well.

We need the stability that comes from consistent funding. If I go out and talk to my people, their morale is high. They like what they do. They want to be in the Coast Guard, but they say to me, "Admiral, how is the budget?"

I say to them, "Hey, that is my job. You are a Boatswain Mate Third—you ought not to be worrying about the budget." They say, "But Admiral, if you do not get the budget"—they think somehow up here I am going to get the budget—"if you do not get the budget, we may not have a job." And I say to them, "You will have a job. There is a job there for you no matter what happens. Do not worry about the budget. That is Congress's problem." They say, "Well, we are worried about it."

So if I have had morale problems, it is because every year they want to know, is the Coast Guard going to get underfunded? Are we going to cut people like we did last year? I tell them, no. But then last year I did. There is my problem.

Senator GORTON. Thank you, Admiral. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Lott.

Senator LOTT. Thank you, Mr. Chairman and we do not want this to turn into an admiration society, but I join my other colleagues here, in particular Senator Gorton since I heard his comments, in saying how much we do appreciate the work that you do and have been doing this year and I know you feel like you are under assault from the North and the South.

You have had the oil spill problem and other problems in the Northwest and Alaska and of course we also have problems in the Gulf with our tremendous amount of Coast Guard activity, including a growing problem with drugs coming into our country in every way, including over the water.

So I do appreciate the job you are doing and I admire you very much and look forward to working with you in the future.

Let me ask you a few questions. I noticed in your testimony that you point out that there is a recommendation that would transfer the $2.3 million required for bridge administration to the Corps of Engineers. Is that going forward and are we sure that one or the

other is going to have the bridge administration without any kind of disruptions?

Admiral YOST. We have worked very closely with the Corps. They are agreeable to take it. It is supported within the administration. The legislation was past last year in the House. There is legislation again this year. I think it will pass the House, and I strongly recommend to this Committee that we go ahead and do that.

In addition, it reduces the envelope of the Coast Guard budgeting that we have to come up with each year, even though that $2.3 million will need to be transferred. Still, it reduces the total funds that you have to find in the DOT appropriation each year for us.

Senator LOTT. But there is no likelihood of a disruption. I mean, either one or the other will have the money and one or the other will do the job and I presume the transition could be done without any kind of disruption or problems.

Admiral YOST. It can. I would like to submit for the record a paper that discusses the agreement to transfer Bridge Administration and how those concerns would be taken care of so that you can see that.

[The information referred to follows:]

PROPOSED TRANSFER OF THE COAST GUARD'S BRIDGE ADMINISTRATION PROGRAM TO THE CORPS OF ENGINEERS

Transfer of the administration of bridges and causeways over navigable waters from the Department of Transportation (Coast Guard) to the Department of the Army (Corps of Engineers) has been proposed by the Administration; legislation to accomplish this transfer, H.R. 4558, is pending in Congress.

Currently, a bridge or causeway over U. S. navigable waters is subject to federal regulations by the Coast Guard and the Corps of Engineers. Both agencies are responsible for maintaining free navigation of the nation's waterways by regulating the planning, construction, and alteration of bridges and causeways over navigable waters. The Coast Guard is required to ensure that a bridge or causeway structure does not "unreasonably obstruct the free navigation of the waters" while striving to impose conditions that are "necessary in the interest of public navigation." The Corps of Engineers has the corresponding role of preventing "any obstruction...to the navigable capacity of any of the water of the United States," with the dual responsibility of regulating waterborne structures, i.e., piers, wharves, bulkheads, flood control facilities, and other water resources development functions.

The Administration has recommended the transfer in order to simplify bridge administration for both the government and the public, to eliminate the existing duplicative process, and to place administration of all waterway construction-related projects within one agency. All bridge administration personnel...55 positions...will be transferred to the Corps.

On August 3, 1988, the Coast Guard and Navigation Subcommittee of the House Merchant Marine and Fisheries Committee held a hearing on H.R. 4558. Towing industry concerns about transfer of drawbridge operations, as expressed by Charles F. Lehman, Vice President of American Commercial Barge Line Co. on behalf of the American Waterway Operators (AWO), centered on the potential for a reduction of navigation safety as a result of decentralization of the system, as well as the perception that the transfer would result in greater, rather than less, costs to the federal government.

Industry reservations focus on the potential breakdown of the excellent communications network between the industry and the Coast Guard, highly dependent on the Coast Guard's 24-hour manned hotline and the broadcast notices to mariners and local notices to mariners issued by that agency. Additionally, the program, as administered by the Coast Guard, is centralized within each district. If transferred, the program will become decentralized as the number of Corps districts greatly exceed the number of Coast Guard districts. For example, there are approximately 11 Corps districts within the boundaries of the Second Coast Guard District. Other waterway organizations such as the Lake Carriers' Association, Boat Owners of the U. S. and the Towboat

and Harbor Carriers Association of New York-New Jersey, have similar concerns.

The Coast Guard and the Corps met with industry representatives August 24, 1988, in Washington, D.C. The Coast Guard noted that the bulk of work performed by bridge personnel was devoted to permits and administration of the Truman-Hobbs program, with only five percent devoted to drawbridge operations. This allocation makes it feasible to retain this function within the Coast Guard, with or without retention of existing personnel.

Representatives of the two agencies made the following recommendations to more smoothly integrate the drawbridge program into the Corps:

o Corps' navigation (operations) personnel in each district office will administer the drawbridge regulation program. These people deal regularly with the barge and towing industry on navigation-related problems, including emergencies, and already have established a 24-hour hotline number;

o The Coast Guard will transmit bridge safety and/or emergency information to the Corps district person in charge of the drawbridge regulation program or his designated operations alternate;

o The Coast Guard will continue to issue broadcast notices and local notices to mariners concerning drawbridge operations as reported to the Coast Guard by the Corps navigation personnel, using the existing system now utilized to transmit navigation information. The Coast Guard will identify a Point of Contact individual within the Aids to Navigation Office to receive the information;

o Coast Guard aids to navigation personnel will identify the jurisdictional location of bridges according to Corps districts; this information will be included in an updated Bridges Over Navigable Waters report; and

o The Secretary of Transportation and the Assistant Secretary of the Army for Civil Works will develop a memorandum of agreement outlining the procedures for coordination between the agencies and the mechanics of the new system for drawbridge regulation.

The AWO Corps of Engineers Liaison Committee made a recommendation to the AWO Board of Directors at its September 8-9, 1988 meeting in Washington, D.C. The AWO Board recommendation was communicated to the House Merchant Marine and Fisheries Committee as above. Subcommittee and full committee markup of H.R. 4558 has been accomplished in the 101st Congress.

Senator LOTT. Now, in the Gulf of Mexico an important component is your reserve forces. What is the overall outlook in reserves, and how are we doing with your reserves? Are you getting what you need to do the job there?

Admiral YOST. No, I do not think so. We have had a tough time with the Reserve Training appropriation.

Each of the armed services has a goal of being able to fill 95 percent of the top critical mobilization needs upon mobilization. Each of the services, with the exception of the Coast Guard, has a reserve that supports that 95 percent goal. Our Coast Guard Reserve will support only 65 percent of that mobilization need.

I can assure you that if this country goes to war, we will not be able to supply the battle groups at sea. We will not be able to resupply Europe unless the Maritime Defense Zone Commands can keep the ports and the loading facilities and the waterways of this Nation open. And those, the 95 percent of mobilization forces that I need, are the people responsible for doing that.

We have a plan, now supported by the Administration, that will allow us to go from 65 percent to 95 percent of our mobilization requirements in 10 years; and this is the first step in that 10-year plan. It has been very, very difficult in past years to get getting budget support for that reserve increase, but it is critical to the war-fighting capability of this Nation.

Senator LOTT. Well, of course, your reserve component quite often is very much involved when you have problems or disasters, whether it is in Alaska or, I presume, certainly in the Gulf that is true.

Admiral YOST. There are lots of reservists up in Alaska. There are a lot more reservists in the life stations up and down this coast replacing regulars who are up in Alaska.

Senator LOTT. Now, tell me about that chart that shows 1988 at a minus 1,275.

Admiral YOST. Well, in 1988, instead of growing to get to my 10-year plan, our budget was reduced in Reserve Training by that number. Since then, we have slowly built back up so that in 1989 we are almost back where we were in 1985.

Senator LOTT. All right, sir. Well, I could ask you a whole series of questions on that, but I do think that the reserve component is very, very important; and I hope we can find some way to move forward on your 10-year plan.

Again referring to the Gulf, it is a very active area. We have a lot of merchant traffic. We have a large fisheries industry. We have a lot of recreational fishing, and the Coast Guard is very much involved throughout the Gulf area from Texas around to the tip of Florida. And so you do an awful lot of work in search and rescue and all the other activities that traditionally people think of as Coast Guard functions.

But the big problem we have got right now is drug interdiction, and we are not doing enough.

Admiral YOST. No, we are not.

Senator LOTT. And the Coast Guard is not doing enough, because you do, I think, need some more assets, some capital investment to be able to do the job. I will not give the speech you hear in Congress so much now, but I mean, if it is a war on drugs, I mean,

when are we going to engage, because we are not engaged. So let me ask you a series of questions in that regard.

One of the best concepts I have seen in recent years is the so-called Blue Lightning Strike Force. Tell me just a bit about that concept so the committee can hear it; and how are we doing in moving forward with the Blue Lightning Strike Force?

Admiral YOST. Well, the Blue Lightning Strike Force has been used to cover a myriad of things. The actual Blue Lightning Strike Force is a Customs operation that has mounted radars on top of condominiums that will cover an area out to 10 miles offshore for larger vessels, for smaller boats considerably less. Both the Coast Guard and Customs have intercept boats on standby, and when the radar sights something that is moving at high speed towards the coast of the United States, you have an opportunity to scramble a Coast Guard or a Customs vessel, or even a Coast Guard or Customs helicopter.

Senator LOTT. Now, that may be operated by local personnel, but the Coast Guard is a very important part of it. I mean, you are the ones who get the information.

Admiral YOST. It is absolutely essential. The Coast Guard is the lead agency for the maritime arrival zone.

My recent visit to the Gulf of Mexico and the southern East Coast, showed that what we really needed down there and why we are not doing well in interdicting cocaine is that we do not have enough radars. We have more intercept capabilities than we have radars to find the targets. And for cocaine you need radars well out forward. That means you have either got to put them on airplanes, like E-2C's, or, my favorite project, the C-130 with an APS-138 radar on it. Or you have got to put them on balloons well forward, but you have got to get them well forward. That is where our deficit is.

Senator LOTT. That was going to be my next question. I am particularly interested in including funds to enhance your Coast Guard HC-130H, airbone early warning radar. You have been making a point of that. You really need that to be effective in interdicting and tracking these aircraft coming in in Mississippi and throughout the southeastern United States.

Now, how much money do you need to do that? I understand that the House Authorization Committee included $24 million for it. Is that right?

Admiral YOST. I felt very strongly, and still do, that the C-130, properly equipped, is a much better aircraft than the E-2C. The E-2C is a four or five hour aircraft; the C-130 is a nine to 12-hour aircraft. I need radars out in the area that could sit there and stay, not go out for four hours and come back for fuel and leave a hole. So, I developed the idea of improving the C-130.

I went to the United States Navy, my friend, Admiral Carl Trost, Chief of Naval Operations, and he graciously gave me a radar that is about a $9 million radar. I do not know whether he gave it to me or he loaned it to me, but at any rate, I got the radar.

Then we received $17 million in the Anti-Drug Act of 1988 to integrate this radar. Well, $17 million was not really enough. I kind of feel like maybe in the appropriations process there was a need to round out the appropriation. We really needed about $40 million to

integrate that radar. We have only $17 million. And so now we are trying to figure out how to do a $40 million job for $17 million.

Senator LOTT. Well, Admiral, let me interrupt there. You testified before the House Appropriations Transportation Subcommittee in March that you needed a total of some $94 million for such modifications of two Coast Guard aircraft.

Now, I assume that includes more than just radar installation only. Is it more than that?

Admiral YOST. No. The $40 million I am talking about is for one aircraft which my partner over in the Navy has given me the radar. In order to do the second aircraft I have to buy the radar, and so the price for the second is $42 million with a total of about $84 million. I estimated $93 million. I was off by $9 million. I really need only $84 million to do it.

Senator LOTT. How much do you need in the Senate authorization bill for the HC-130 this year?

Admiral YOST. Well, $24 million this year would finish my first—to the $17 million, add $24 million. I have the radar in my pocket. I would be able to do one airplane. If we were going to do more than one airplane, we would need another $42 million for the second airplane. That is not in the President's budget, and I am not here asking for it.

Senator LOTT. Which part?

Admiral YOST. Well, neither one is in the President's budget. I am not here asking for either one.

The CHAIRMAN. His voice says no, no, no, but his eyes say yes, yes, yes.

Senator LOTT. There was lust in his heart.

Admiral YOST. I am sure there are OMB folks sitting right behind me, and if they could see that, you might have a new Commandant.

Senator LOTT. Well, we know you are under certain restraints. But let me also say that if the administration is serious about this problem, we are going to need this kind of equipment.

Now, I thank you for your indulgence, Mr. Chairman. I know I am a little bit over five minutes, but just a couple of more questions.

Do you have any statistics you could show us about the volume, the amount of traffic that is coming into the Gulf in drugs? I know it is marijuana, it is cocaine; it is coming in in the air and over the water? And I see you are seizing a lot of drugs, but what are we talking about? Give me some idea of the magnitude.

Admiral YOST. Let me give that to you for the record.

[The following information was subsequently received for the record:]

During fiscal year 1988, the Coast Guard seized, or assisted in the seizure of, 25 vessels in the Gulf of Mexico. These seizures resulted in the confiscation of 174,704 pounds of marijuana and 1,690 pounds of cocaine with a total street value of approximately $426 million.

Let me say that we believe that the United States has about a 3 to 4 million ton a week cocaine habit. Now, that is coming in by air and over the Mexican border by vehicle. How much is coming in by each mode, we do not know. We do know that we do not have out a good radar net to see the planes coming in. I am guessing that we

have somewhere around four or five planes a week, carrying an average of a half a ton of cocaine, providing about half of what this country's habit is. The other half is coming in through the border, or in containers, or on the bodies of passengers.

So, I think we are looking at three, four, five airplanes a week. But if I have a radar net out there that is only there a few hours a week, it is not hard for them to bypass us, and so our statistics do not look good. And that is why I give the Coast Guard probably a D in cocaine, because we do not have enough radars out there to stop them from coming in.

We have intercept airplanes sitting on the runway ready to launch, but until you get the picture—

Senator LOTT. As a matter of fact, Admiral, if you look at maps of the Gulf, there is a great big hole right in the middle of the Gulf that is not covered by radar. The airplanes can come through any time they want to. They know it. We know it. Everybody knows it.

Admiral YOST. Everybody knows it, so we need the balloons down along the Gulf Coast. We need the Cariball balloons out in the Bahamas and the Turks and Caicos. We need the radar planes, the C-130's and E-2C's. If you only have half of it, they are going to fly through the other half. You are wasting your money when you buy half a net. That is the problem. If you are going to build a fence around your house, and you build only half a fence, you might as well have not built the first half.

Senator LOTT. Thank you very much, Admiral. Just one last point.

You know, we do have a lot of problems in the Gulf, and the Coast Guard has done a great job there over the years. Over the years we have also had situations where commandants have looked at moving vessels out of the Gulf into other parts of the country. We take very unkindly to such a suggestion. We are supportive of the Northeast, the Northwest, the Atlantic, the Pacific, but do not neglect the Gulf.

Admiral YOST. I am reading your lips, Senator.

Senator LOTT. Thank you very much.

Senator STEVENS. Could I ask one more question, Mr. Chairman?

The CHAIRMAN. You certainly may.

Senator STEVENS. Admiral, how large is the discretionary portion of this budget as far as your personal discretion is concerned. As Commandant of the Coast Guard, how much money do you have annually for all of these contingencies like the Valdez oil spills and high seas problems? Is it large?

Admiral YOST. No. It is very, very tiny. And instead of discretionary, I would describe it more as shift of missions. When we do a mission like the Valdez Oil Sprill, we do not do fisheries, or we do not do drugs. It is not a discretionary thing. I have got more missions than I can do, and so I prioritize those missions on a weekly, or a daily, or an hourly basis. And when I do, if I have somebody out looking for drugs, or doing fisheries enforcement, and we have a search and rescue case, we divert him, and he does the search and rescue. So it is like the Dutch boy with his finger in the dike.

Senator STEVENS. And that increases the cost of your operations, too, does it not, if you have people assigned to drug patrol or fisheries enforcement missions, and you have something like Valdez you

have to pull some off of each, and it reduces the effectiveness of your planning for the other two, does it not?

Admiral YOST. It does. But on the other hand, that has been one of our strong points, that we are multi-mission, and we do give this country a very good value for its dollar by prioritizing missions and being able to move them.

But, yes, you take a vessel that is designed and trained for aids to navigation, and you move it into doing something else, you lose a little effectiveness for the first few days until they get up to speed in it. But it is an effective overall use of the facilities, and I think that we need to be supported at the President's level.

Senator STEVENS. Well, I would like to see a discretionary fund beyond that. We will work on that, I hope.

Admiral YOST. You and I have talked about that before, Senator, and that is a very, very compelling idea. It would give us the flexibility when we get hard hit.

The CHAIRMAN. Admiral Yost, would you testify about air interdiction. There was a GAO report the first week of this month. Have you had a chance to see that? The GAO report is not—and they say, quoting—"not convinced that spending more on air interdiction is the best use for additional funds." They allow that in 1982 we were spending $18 million, and we are now spending $200 million; and looking at the increase in apprehensions or whatever, it has not worked, as they see it. And I just wanted you to comment on that, if you had seen that report.

Admiral YOST. I would like to comment on the issue. I have not seen or read the report. I have seen some GAO reports on the subject, and I do not object to what GAO has said in this regard. It is a very expensive process, and yet, there is not any alternative. There is not any alternative, let alone a good alternative, to drug interdiction.

If the people of this country see that we are no longer trying to keep drugs from coming into this country, it sends a very clear message. And I do not think that you can teach high school students that drugs are bad unless you are enforcing against drugs and trying to keep them from coming in—unless some of these people that are wearing gold chains around their neck are looking out through bars now and then. We need to put more people in jail, and the way you do that is with drug interdiction. And we have to have an effective drug interdiction capability. We have it in marijuana. We do not have it in cocaine, because we do not have enough airborne radars out there to provide a decent net.

The CHAIRMAN. How about planes themselves? I take it the report was referring to airplane interdiction and not the radar itself, but the step-up in the cost of airplanes, trying to chase down the violators.

Admiral YOST. Airplane interdiction right now is very ineffective because they do have good radar intelligence. We have airplanes just out boring holes in the sky looking for druggies coming in. It is almost impossible, like a needle in a haystack. You have to have the radars out there that will allow the airplanes to make the intercept and remain on alert. We do not have it. We have got more intercept than we have radars, and we need the radars.

The CHAIRMAN. Then tell us now, finally, about the patrol boat shortage. You know, over on the House side the Coast Guard subcommittee just took out the icebreaker and put more money in for patrol boats.

What do you think about that? And tell us about the shortage.

Admiral YOST. Well, there is a patrol boat shortage in the outyears that will grow to about 24 patrol boats. That patrol boat shortage needs to be addressed. I would like to have addressed it in this year's budget, but there was not enough money in this year's budget for me to do that, within my OMB mark, and also address the icebreaker. I felt that I had to prioritize, and this Nation needed that icebreaker; and so I scrunched the rest of my budget together. I don't think "scrunched" is a word. I collapsed the rest of my budget to provide enough money, $244 million, for the icebreaker.

Now, if as in the other house, they decide that what they want to do is lease the icebreaker and provide that $244 million for other programs, then I think patrol boats are one of the things that should be considered. But when I prepared the budget, I felt the icebreaker was more important than other things that have now been authorized by the other committee. I still feel that way. If we can buy the icebreaker through lease or through an installment plan, with an appropriation that is called the icebreaker appropriation, and it is appropriated for the next 30 years and does not affect the rest of my budget, I would be very pleased with doing that.

The CHAIRMAN. Well, now, give us some idea of the shortage. I think the House bill provided for 20 high-speed patrol boats, is that right? Is that what you need to try to address the shortage, as you characterize it?

Admiral YOST. I do not know what that authorization bill provides for; I do not have it with me. But it provides for a significant number of patrol boats that would address this shortage that we project.

The CHAIRMAN. Let me read. "$151 million shall be used to procure at least 20 high-speed patrol vessels not later than a month after the date of the enactment of this act."

Admiral YOST. Well, that would require us to then extend an existing contract. We would not be able to redesign or rebid anything. We have an existing contract with Bollinger Marine. They are making the finest patrol boat in the world. And we would have to extend that contract.

I do not have any problem with that. It just was not my top priority when I prepared this budget. Icebreakers were a higher priority, and that is why they were in the budget. If somebody can find an innovative way of buying the icebreaker for zero money on an installment basis in a separate appropriation, I would be delighted with that many patrol boats.

The CHAIRMAN. Ted, do you have any more questions?

Senator STEVENS. Mr. Chairman, Senator Chafee has a statement he would like to insert in the record.

The CHAIRMAN. We will include his statement.

Senator STEVENS. I have one last question, if I may, that I failed to ask you, Admiral. I have read and have heard again here today

your statement, your belief that the cleanup forces will have to return to Alaska next year on the basis of the pace of the cleanup so far. Everyone I have talked to in the area agrees with that.

But the one question that is being asked of me is will the military return to support the Coast Guard next year. Has that been discussed yet?

Admiral YOST. I have not discussed that in the White House. What we did discuss there was that the President wanted the Department of Defense to support the United States Coast Guard in every way possible, and there was no limit on time. I heard the Vice President say in Alaska that Exxon will be here as long as is necessary, and I assumed that that also means the Federal Government will be there, the United States Coast Guard with whatever support I need from the Department of Defense. I think I can assure you of that, Senator.

Senator STEVENS. Well, that is important to us, I think, because if we are going to have to marshall a force again next year, it seems that we should anticipate that, both in your budget and in the Department of Defense budget, because they will be repaid, but still there has to be an allowance for funding so that it can be done.

Admiral YOST. Whether they will need those big ships that they have had up there next year, I do not know. I kind of doubt it. But some equipment, their heavy lift, as you know, Senator, has been absolutely essential; the C-5 lift has been extensive and essential.

Senator STEVENS. Mr. Chairman, the Admiral told me about one of his people who saw this spill right after it occurred. Did you ever tell the Chairman and the committee what that comment was about the size of the—the volume of this oil as it came out of the tanker?

Admiral YOST. This officer told me when he got aboard the tanker the smell of oil was every place. He looked over the side and there was a welling of oil clearing the surface, bubbling up like a fountain, more oil than he had ever seen in his life coming out at a rate that he did not think was possible as this ship settled and forced the oil up out of water. And in less than four hours, 10 million gallons of oil came out of that ship. I do not think there has ever been that much oil put in the water as rapidly as that in the history of the world.

Senator STEVENS. One of them described a wall of oil that was coming down the sound.

Admiral YOST. Coming down the sound, and when the wind came up, it was moving like a freight train. It was a wall of oil moving very, very rapidly. I do not think any boom that we had up there would have contained that kind of a catastrophe, and that is what worries me—how we are going to do that in the future, how we are going to prepare to do that.

Senator STEVENS. That is what I wanted to bring out was that people talk about prepositioning of equipment, Mr. Chairman, and we are going to talk about that tomorrow. As I was told, there was a 6 to 7 foot wall of oil moving out in the sound as that oil tried to spread, and that is the major problem, if that would happen in a congested area, would be how to contain that oil and prevent it

from doing just irreparable harm in an area of sizable improvements.

Admiral YOST. I am sure if you contained that oil by booming it and the boom begins to fill up, you are going to get a boom full of oil; it will not contain it. The boom will not be high enough to contain that much oil. The oil will go over it. It will go under it. There is no way of containing that much oil in a reasonably sized circle of boom.

Senator STEVENS. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Admiral Yost, there has been a bill introduced, of course, to upgrade the search and rescue satellite-aided tracking system.

I want to include the statement of our colleague, Senator Matsunaga, in the record.

I would ask you the Coast Guard's position on that idea. It sounds good to me.

Admiral YOST. It is an excellent idea, sir. We have supported it from the very beginning. We have funded the three local user terminals that are currently in use. We have in our budget two more of those user terminals. We warmly and strongly support them. We feel, though, that sooner or later—sooner, hopefully—that whole system ought to be operated by NOAA, and we would like to see NOAA take over the funding and the operation of these user terminals. It is more in their line than ours. We have done it because we wanted to see it get done, and we wanted to do it rapidly.

Now, we would like to fund the two in our budget. We would like to see NOAA fund the moving of the three existing terminals. The other three need to be relocated to get world coverage. We would like to see NOAA get that in their budget to move those other three and then take over the operation of the whole system.

The CHAIRMAN. Very good, Admiral. As you can tell from my other questioning and the committee's comments that we think you are doing an outstanding job, and we appreciate your appearance here this morning.

The committee will be in recess, subject to the call.

Admiral YOST. May I say a couple of things first before you close?

First, I appreciate your remarks on the Coast Guard's involvement in the Exxon *Valdez* response, and your continuing pledge of support. I am concerned that legislation following the Exxon *Valdez* spill will add to our responsibilities without the necessary additional resources to carry them out. I know that I can count on this committee, and certainly you as Chairman. I know also that you are one of the more influential members of the Appropriations Committee, and I would ask you to support us there as well.

And I want to thank you for the recent press release that you made where you were so supportive and said such nice things about the United States Coast Guard. That does not come just to me, as you know, sir; 38,000 men and women much appreciate that the senior Senator on this committee understands what they do.

Thank you, Senator Hollings.

The CHAIRMAN. Well, they deserve it. Thank you very, very much. I appreciate it.

[Whereupon, at 11:40 p.m., the committee was adjourned, subject to the call of the chair.]

[The following information was subsequently received for the record:]

STATEMENT OF HON. SPARK MATSUNAGA, U.S. SENATOR FROM HAWAII

Mr. Chairman, thank you for this opportunity to express my support for legislation to upgrade the Search and Rescue Satellite Aided Tracking System (SARSAT). Rarely have I had the privilege of testifying on a program of such universal merit and necessity. As you know, along with Senators Inouye, Stevens, Murkowski, and Bingaman, I recently introduced S. 192, a bill that would authorize $5.3 million toward the establishment of five new SARSAT ground stations, or local user terminals (LUTs) as they are called, as well as authorize a line item of $2.3 million for the operation and maintenance of the system. It is my hope, Mr. Chairman, that you and the other members of the Committee will incorporate the provisions of S. 192 in the Coast Guard Reauthorization bill.

Mr. Chairman, the SARSAT program was created in the mid-1970s as a NASA experiment to see if radio beacons could be detected by polar-orbiting satellites to locate mariners and aviators in distress. Joined by sister agencies in Canada, France, and the Soviet Union, NASA developed the program which is today known as COSPAS-SARSAT. Just last year, the four nations signed a 15-year, formal agreement to assure the long-term operation of the system.

Unfortunately, the United States has not fulfilled its obligations under the 1988 agreement. Millions of square miles in the Pacific, Atlantic, and Caribbean for which we have search and rescue responsibility remain without SARSAT coverage. Although we have satellites that can detect distress signals, many of these signals go unreported simply because we lack the necessary LUTs for receiving the signals that the satellites pick up and relay. This egregious situation exists because the US operates only three aging, inefficient, and poorly-located ground stations.

In practical terms, this means that the Coast Guard and other agencies involved in search and rescue operations can neither act in a timely manner nor pinpoint the location of those who happen to be in need in these blind spots. In the absence of LUTs to relay distress signals, the Coast Guard must conduct searches over a wide geographic area, an operation typically requiring 75 hours of search time and the involvement of costly resources. Search and rescue aircraft alone, for example, cost $2,000 an hour to operate. In 1987, in the Southwest Atlantic area, over 16 percent of Coast Guard search and rescue cases took place in areas uncovered by SARSAT ground stations. In the Northwest Pacific, 10 percent of the agency's search time, comprising only 2 percent of its cases, was used in operations undertaken in areas without LUT coverage.

The 1984 search for the fishing vessel *Amazing Grace* is instructive in this regard. In that particular operation, the Coast Guard conducted a search that covered 192,146 nautical miles, lasted 16 days, involved 106 aircraft sorties and 564 hours of aircraft search time, and cost the Federal Government a staggering $12.1 million. Tragically, the *Amazing Grace*, which itself was valued at $500,000, and its seven-member crew were never found. If the search had been SARSAT-aided, the boat's location could have been pinpointed at the very beginning of the emergency, and both the human and financial costs could have been minimized.

Mr. Chairman, the $5.3 million authorization that I am supporting would allow us to construct five optimally-located, state-of-the-art LUTs. It would therefore eliminate all gaps in our SARSAT areas of responsibility, and obviate the frequent downtime periods that occur from maintenance problems associated with our current obsolescent ground stations. This is an insignificant amount of funding when one considers that, since its inception, the SARSAT program has saved over 1,200 lives, half of them American, and over $1.2 billion in property, again half of which was American. By the end of this year, the combined federal funds expended on the SARSAT program will amount to $56 million; thus, simple arithmetic tells us that the US saves $11 for every $1 dollar invested in the program. In fact, by preventing such tragedies as the *Amazing Grace*, it is possible—even probable—that the $5.3 million could be recouped in a single SARSAT-aided Coast Guard operation.

Mr. Chairman, thank you again for allowing me this opportunity to express support for the SARSAT program. I know that you and the other distinguished members of the Committee, who have done so much to improve the Coast Guard's search and rescue capabilities, will give serious consideration to this important matter.

STATEMENT OF HON. JOHN H. CHAFEE, U.S. SENATOR FROM RHODE ISLAND

Thank you, Mr. Chairman, for holding this Coast Guard authorization hearing today. As you know, I have introduced S. 443, a bill to transfer the historic Southeast Lighthouse on Block Island from the United States Coast Guard to the Block Island Southeast Lighthouse Foundation. This measure represents the first step in the renovation and renewal of one of Rhode Island's most memorable landmarks: the Southeast Light.

Lighthouses have played a glorious role in maritime history. From their beginning as beacon fires in the days of the ancient Egyptians to their latest incarnation as steel towers, lighthouses have guided, warned, and reassured mariners during their sea journeys.

Lighthouses have played a particularly special role in the history of the United States. Colonial settlers depended upon the sea for communication and travel, as well as for trade. As our country grew, our maritime traffic became heavier, and lighthouses began to spread along America's coasts. Today, lighthouses serve as inspiring reminders of our rich maritime heritage, and have become part of our national folklore.

The Southeast Lighthouse, located atop the dramatic Mohegan Bluffs on the south shore of Block Island, was erected in 1873 to guide vessels safely past the perils of the rocky coastline. First illuminated on February 1, 1875, it cast a light visible from 35 miles at sea, and represented the federal government's commitment to aid navigation around the Island. With the establishment of the Federal Lighthouse Service in 1789, the Light took its place as an important element in the government's fight for marine safety.

But it was the Lighthouse's combination of utility and beauty that stirred the pride and emotion of the Islanders. With its imposing structure and the powerful light of its imported Fresnel lens, the Lighthouse was the object of intense local pride, and became a favorite sight for visitors. Tourists, visiting Block Island in the late 19th century, wrote admiringly of the impressive red brick tower and its light.

That same local pride exists today. Block Islanders continue to cherish the Light with the same enthusiasm. Indeed, the image of the Light has become one of the most recognizable symbols of Rhode Island, used by many State agencies and commercial organizations to represent the State of Rhode Island and her maritime history.

Unfortunately, the rich and colorful era of traditional lighthouses has ended. Most modern lighthouses are automated, and many of the older lighthouses have fallen into disrepair. Of the more than 1,400 lighthouses that were once operational, only 750 are still standing today. The Southeast Light, located less than 100 feet from the eroding cliff edge, is in real danger of joining the shipwrecked vessels at the base of the cliffs.

A rescue attempt is in progress, however. The Southeast Lighthouse Foundation, in conjunction with the Rhode Island Historical Preservation Commission, the U.S. Coast Guard, and Block Island residents, is making a valiant effort to raise the money needed for the Light's restoration and relocation.

Mr. Chairman, the legislation I have introduced will transfer ownership of the Southeast Lighthouse from the Coast Guard to the Southeast Lighthouse Foundation. It will also provide up to $2 million in matching funds for the relocation of the Light. The Coast Guard, in its role as custodian, has done a commendable job in its efforts to preserve the Light as a monument to maritime history in Rhode Island. But the Guard is hindered by the constraints of time and budget.

The Southeast Lighthouse Foundation, with the full approval of the Coast Guard, will take on full responsibility for the Light's renovation. It hopes to raise the necessary funding for the Light's survival, and help make the Lighthouse a center for the interpretation and preservation of Block Island's rich maritime culture. Already the Foundation has staged a successful exhibit celebrating the history of the Lighthouse and of Block Island.

I feel very strongly that this legislation is vital for the preservation of the Southeast Light. Senator Pell has joined me in introducing this legislation, as have New England Senators Lieberman, Dodd, Rudman, and Cohen. On the House side, Representatives Schneider, Machtley, Morrison, Rowland, and Gejdenson have sponsored the same measure. We believe that lighthouses represent an essential part of New England's history, and that the Southeast Lighthouse is one of the most important lights.

Mr. Chairman, I would like to ask that a letter of support from Ted Sanderson, Executive Director of the Rhode Island Historical Preservation Commission, be included in the hearing record.

Thank you, Mr. Chairman.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS,
HISTORICAL PRESERVATION COMMISSION,
Providence, RI, March 15, 1989.

Hon. JOHN H. CHAFEE,
U.S. Senate, Dirksen Office Building, Washington, DC.

DEAR SENATOR CHAFEE: Block Island Southeast Light is one of the most significant and most endangered lighthouses in America. First lit in 1875, the light stands on Mohegan Bluff 201 feet above the water. It is the highest lighthouse in New England, and it marks the first island landfall for ships approaching the New England coast from the south and southeast. The light itself is notable for its first-order rotating Fresnel lens which was manufactured in Paris in 1880, and it is one of only a few of these once-standard lenses still in operation. The light tower and the attached double-house for the keeper and assistant keeper are very handsome Gothic Revival style buildings whose architecture exemplifies the nineteenth-century taste for the picturesque. For your information, I have enclosed a fuller description of the light and its significance.

Today Southeast Light is a prominent New England landmark and a much beloved symbol of America's maritime heritage. Sadly the relentless erosion of Mohegan Bluff places the lighthouse in imminent danger of collapse and falling into the sea. However, the light can be saved if it is moved back from the edge of the bluff. The local Block Island Historical Society has commissioned an engineering study which shows preservation is technically feasible, and the Block Island Historical Society is ready to operate the lighthouse as a maritime museum. Funding and technical assistance from the RI Historical Preservation Commission and a grant from the National Trust supported the engineering study and represent a commitment to the importance of saving Southeast Light. The full cost of the project, however, is beyond locally available resources.

We appreciate the leadership you and other members of Congress have shown in recognizing the role of federal, state, and local efforts to preserve the historic properties which are the tangible elements of our national heritage. The efforts of all of us will be needed to save Block Island Southeast Light.

Very truly yours,

EDWARD F. SANDERSON,
Executive Director, Deputy State Historic Preservation Officer.

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